



## Senate

General Assembly

February Session, 2004

**File No. 68**

Senate Bill No. 287

*Senate, March 15, 2004*

The Committee on Banks reported through SEN. FINCH of the 22nd Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

### **AN ACT CONCERNING THE DEPARTMENT OF BANKING.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 36a-1 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2004*):

3 This title shall be known as the "Banking Law of Connecticut" and  
4 shall be applicable to all Connecticut banks, Connecticut credit unions,  
5 first and secondary mortgage lenders and brokers, money order and  
6 travelers check licensees, check cashing service licensees, trustees  
7 under mortgages or deeds of trust of real property securing certain  
8 investments, corporations exercising fiduciary powers, small loan  
9 licensees, business and industrial development corporation licensees,  
10 sales finance companies, mortgage servicing companies, debt  
11 adjusters, and to such other persons [as] who subject themselves to the  
12 provisions of this title or who, by violating any of its provisions,  
13 become subject to the penalties provided in this title.

- 14       Sec. 2. (*Effective October 1, 2004*) Section 36a-3 of the general statutes,  
15       as amended, is repealed.

This act shall take effect as follows:	
Section 1	<i>October 1, 2004</i>
Sec. 2	<i>October 1, 2004</i>

**BA**       *Joint Favorable*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

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**OFA Fiscal Note****State Impact:**

Agency Affected	Fund-Effect	FY 05 \$	FY 06 \$
Banking Dept.	BF - None	None	None

Note: BF=Banking Fund

**Municipal Impact:** None

**Explanation**

The bill clarifies that the banking laws apply to business and industrial development corporation licensees.<sup>1</sup> This change does not result in a fiscal impact to the state.

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<sup>1</sup> Business and industrial development corporation licensees currently pay an annual license fee of \$400 and are annually examined by the Bank Examination Division of the Department of Banking.

**OLR Bill Analysis**

SB 287

***AN ACT CONCERNING THE DEPARTMENT OF BANKING*****SUMMARY:**

This bill subjects business and industrial development corporations that the Banking Department licenses to Connecticut's banking law. The banking law applies to specific listed entities, as well as to other people who subject themselves to its provisions or who, by violating its provisions, become subject to its penalties. The law already authorizes and licenses business and industrial development corporations.

The bill also makes technical changes.

EFFECTIVE DATE: October 1, 2004

**BACKGROUND*****Parties Subject to Connecticut Banking Law***

Connecticut banking law currently applies to all Connecticut banks; Connecticut credit unions; first and secondary mortgage lenders and brokers; money order and travelers check licensees; check cashing service licensees; trustees under mortgages or deeds of trust of real property securing certain investments; corporations exercising fiduciary powers; small loan licensees; sales finance companies; mortgage servicing companies; debt adjusters; and other entities that subject themselves to the provisions of the law or who, by violating any of its provisions, become subject to its penalties.

**COMMITTEE ACTION**

Banks Committee

Joint Favorable Report

Yea 17      Nay 0

